

§ 722.6

(ii) The credit union determines that the appraisal conforms to the requirement of this regulation and is otherwise acceptable.

[55 FR 30207, July 25, 1990, as amended at 60 FR 51895, Oct. 4, 1995]

§ 722.6 Professional association membership; competency.

(a) *Membership in appraisal organization.* A state-certified appraiser or a state-licensed appraiser may not be excluded from consideration for an assignment for a federally related transaction solely by virtue of membership or lack of membership in any particular appraisal organization.

(b) *Competency.* All staff and fee appraisers performing appraisals in connection with federally related transactions must be state-certified or -licensed as appropriate. However, a state-certified or -licensed appraiser may not be considered competent solely by virtue of being certified or licensed. Any determination of competency shall be based upon the individual's experience and educational background as they relate to the particular appraisal assignment for which he or she is being considered.

§ 722.7 Enforcement.

Credit unions and institution-affiliated parties, including staff appraisers and fee appraisers, may be subject to removal and/or prohibition orders, cease-and-desist orders, and the imposition of civil money penalties pursuant to section 1786 of the Federal Credit Union Act, or any other applicable law.

PART 723—MEMBER BUSINESS LOANS

Sec.

723.1 What is a member business loan?

723.2 What are the prohibited activities?

723.3 What are the requirements for construction and development lending?

723.4 What are the other applicable regulations?

723.5 How do you implement a member business loan program?

723.6 What must your member business loan policy address?

723.7 What are the collateral and security requirements?

12 CFR Ch. VII (1–1–99 Edition)

723.8 How much may one member, or a group of associated members, borrow?

723.9 How do you calculate the aggregate 15% limit?

723.10 What loan limit waivers are available?

723.11 How do you obtain a waiver?

723.12 What will NCUA do with my waiver request?

723.13 What options are available if the NCUA Regional Director denies our waiver request, or a portion of it?

723.14 How do I reserve for potential losses?

723.15 How much must I reserve for potential losses?

723.16 What is the aggregate member business loan limit for a credit union?

723.17 Are there any exceptions to the aggregate loan limit?

723.18 How do I obtain an exception?

723.19 What are the recordkeeping requirements?

723.20 How can a state supervisory authority develop and enforce a member business loan regulation?

723.21 Definitions.

AUTHORITY: 12 U.S.C. 1756, 1757, 1757A, 1766, 1785, 1789.

SOURCE: 63 FR 51799, Sept. 29, 1998, unless otherwise noted.

§ 723.1 What is a member business loan?

(a) *General rule.* A member business loan includes any loan, line of credit, or letter of credit where the borrower uses the proceeds for the following purposes:

- (1) Commercial;
- (2) Corporate;
- (3) Other business investment property or venture; or
- (4) Agricultural.

(b) *Exceptions to the general rule.* The following is not a member business loan:

(1) A loan fully secured by a lien on a 1 to 4 family dwelling that is the member's primary residence;

(2) A loan fully secured by shares in the credit union making the extension of credit or deposits in other financial institutions;

(3) Loan(s) to a member or an associated member which, when added together, are equal to or less than \$50,000;

(4) A loan where a federal or state agency (or its political subdivision) fully insures repayment, or fully guarantees repayment, or provides an advance commitment to purchase in full; or